


MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

INTEROFFICE COMMUNICATION

OPERATIONAL MEMO 169-1
REVISION 3

TO: All Waste and Hazardous Materials Division Supervisors

FROM: George W. Bruchmann, Chief, Waste and Hazardous Materials Division 

DATE: March 2, 2009

SUBJECT: Scrap Tire Program – Tire Storage Area and Collection Site Bonding

Section 16903(4) of Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended requires that all scrap tire collection sites regulated by Part 169, be bonded, except as provided in Sections 16903(5) and 16903b. Revisions to Part 169 in December 2006 resulted in changes to the bonding requirements. The following information is intended to provide clarification to staff on bonding requirements and tire storage area(s) requirements in order to ensure consistency of application of these requirements throughout the Waste and Hazardous Materials Division (WHMD) District Offices.

SITE MAP REQUIREMENT TO DEFINE “TIRE STORAGE AREA(S)” AS DISTINCT FROM “COLLECTION SITE”

A site map (sample attached) must be included with the annual Collection Site Registration Application form, in order to accurately identify the boundaries of the tire storage area(s) within the boundaries of a collection site, to ensure proper bonding when required and to help inspections. The Collection Site Registration Application must include the site map each year consistent with the attached sample to be considered administratively complete. The site map must show:

1. The **designated** tire storage area(s) to be used within the collection site during the registration period, including the dimensions and exact boundaries of separately identified outdoor and indoor tire storage area(s) and the number of vehicles to be used for tire storage. For collection sites with more than 2,500 scrap tires, including sites where any vehicles containing tires are stored, the site map must be prepared or drawn and certified by a registered professional engineer (P.E.) or land surveyor. The site map must show the acreage of outdoor tire storage area(s) and square footage of building(s) used as an indoor tire storage area, as covered by the bond, if required. The site map must match the bond documents. The site map must include dimensions and boundaries of tire storage area(s) to be used, type of storage area (whole, shredded, chips, etc.), bonded areas, and type of bonding to be used (building and/or acreage). The site map must also depict any area(s) that is exempt from bonding and the dimensions and boundaries of the area(s). A certification must be submitted to the Department of Environmental Quality (DEQ) for each commodity storage area.
2. The type(s) of storage (outdoor, indoor, or vehicle tire storage area[s]) to be used during the registration period: a collection site includes the entire property (or properties, if there are two or more adjacent properties) and all tires stored on the collection site. A tire

storage area includes the location(s) within a collection site where tires are accumulated. A collection site need not be entirely dedicated as a tire storage area. For example, if the entire property is fenced and bermed, this does not necessarily mean that the entire property is being used as a tire storage area for the purpose of calculating required bonding. Only that portion of a collection site designated and used as the tire storage area(s), requires bonding.

Tires may be accumulated only within areas designated on the site map as tire storage area(s). All scrap tires within a collection site at any time throughout the year must be within a properly designated and fully bonded outdoor or indoor tire storage area, if bonding is required.

BOND EXEMPTIONS

The following are the exemptions to the bonding requirements:

1. Tires that are stored in covered vehicles - A covered vehicle is one that is fully enclosed. It must consist of sides, a top, and an entryway that are secure and made of solid material without holes or gaps. In addition, the covered vehicle must be in roadworthy condition in order for the allowance to apply based on the definition in Section 16901(1)(bb), which defines, a vehicle as "a device in, upon, or by which a person or property is or may be transported or drawn upon a highway...." Vehicles to which the allowance applies must be able to be legally transported or drawn upon a highway in the state.
2. Commodity storage area - A collection site storing a commodity must complete Form EQP5127, "Commodity Storage Area Qualification Form." To be declared a commodity storage area, a collection site must meet the following:
 - A "commodity" is defined in Section 16901(1)(e) as "crumb rubber, tire chips, a ring or slab cut from a tire for use as a weight, or a product die-cut or punched from a tire, or any other product that, as determined by the department based on the product's production cost and value, is not likely to result in an accumulation, at the site of production or use, that poses a threat to public health or the environment. A product is not a commodity unless it meets published national standards or specifications that the department determines are relevant to accomplishing the purposes of this part."
 - The commodity is stored in accordance with the requirements of Section 16903(1).
 - Not less than 75 percent of the commodity, by weight or volume, that is stored at the collection site each calendar year is removed from the collection site to a market during that year, and the collection site owner or operator certifies compliance on a form approved by the DEQ.
 - The areas of the collection site that are used for storage of the commodity are not larger than a total of 1 acre and those areas are indicated on a survey by a registered P.E. submitted to the DEQ as part of the collection site registration.

3. Section 16903b(1) states:

Subject to subsection (2), the owner of a collection site is exempt from the requirement to obtain a bond under section 16903(4) if all of the following requirements are met:

- (a) The owner of the collection site is a scrap tire processor.
- (b) Not less than 75 percent of the scrap tires, by weight or volume, that are stored at the collection site each calendar year are recycled or used for resource recovery during that year.
- (c) The collection site has been in compliance with the site requirements for at least 1 year.
- (d) The owner annually certifies compliance with the requirements of this subsection on a form approved by the department.

A first-time collection site registrant would not have demonstrated the requisite 1 year of compliance. Therefore, a first-time registrant must bond any tires that are placed on the collection site for the first year of operation in accordance with Section 16903(4). There is one exception to this general rule: a first-time registrant who had exempted tires on-site during the previous year (e.g., qualified commodity storage area or vehicle storage) could use those tires to establish the site was in compliance with the site requirements during the previous year.

BONDING CALCULATION AND ENFORCEMENT

Bonding of a tire storage area within a collection site is calculated by the area designated as a tire storage area. For example, a site map showing a two-acre square collection site, and indicating that its northwest quarter-acre will be used as a tire storage area, would require a bond for \$25,000. In addition, tires can only be stored in that exact quarter-acre during the registration period. Likewise, if the site map indicates tires will be stored in a 10,000 square-foot building, the entire building must be bonded unless the site map indicates that only a specific portion of the building will be used as a tire storage area. Tire storage area(s) cannot "move around" or be relocated from their location as designated on the site map.

Any site defined as a collection site by Part 169 where scrap tires are accumulated must maintain the bond amount required by Section 16903(4) for the tire storage area(s) identified on the site map, unless otherwise exempt.

BONDING REQUIREMENTS FOR COLLECTION SITES (INDOOR AND OUTDOOR)

1. If a collection site contains greater than 500 and less than a total of 2,500 tires stored outside, the bond for the tire storage area is \$2,500.
2. For sites with greater than 2,500 tires on-site that are stored outside the bonding is determined as follows:

Less than 1/4 of an acre	\$25,000
1/4 of an acre or more, but less than 1/2 of an acre	\$50,000
1/2 of an acre or more, but less than 3/4 of an acre	\$75,000
3/4 of an acre or more, but less than 1 acre	\$100,000
Each 1-acre parcel	\$100,000

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3. For indoor tire storage area, the bond would be calculated at \$2 per square foot. If indoor tire storage area is used, less than \$2,500 may be an acceptable bond for the collection site. For example, if tires are stored within 400 square feet in a building, the required bond would be \$800 (400 square feet X \$2 per square foot = \$800).
4. Sites that are registered collection sites because they are a portable shredding operation but do not have over 500 tires must maintain the bond amount required by Section 16903(4), based on the type of designated tire storage area.

This operational memo is intended to provide guidance to WHMD staff to foster consistent application of Part 169. This document is not intended to convey any rights to any parties nor create any duties or responsibilities under law. This document and matters addressed herein are subject to revision.

Attachment

This "SAMPLE FORMAT" is provided as a courtesy to indicate the collection site information required by Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, that must be included on the site map provided to the Department of Environmental Quality (DEQ). **For any Collection site with more than 2,500 scrap tires, including where any vehicles containing tires are stored, the site map must be prepared and certified by a professional engineer or licensed land surveyor.** Applicants for a Scrap Tire Collection Site Registration must provide a detailed site map that shows acreage of tire storage area (outdoor) and square footage of building(s) (indoor) as covered by the bond, if required. The site map must match the bond documents. The site map must include dimensions and boundaries of tire storage area to be used, type of storage area (whole, shredded, chips, etc.), bonded areas, and type of bonding to be used (building and/or acreage). The site map must also depict any area(s) that is exempt from bonding and the dimensions and boundaries of the area(s) (please note that commodity storage areas require that a certification be submitted to the DEQ). Please attach the commodity storage area certification, EQP5127 (Rev 8/08), if applicable. The number of vehicles and their location on the site must be indicated on the site map even though these vehicles are exempt from bonding. A site map must be provided with the application each year even if the storage area(s) has not changed. Acceptance of a site map by the DEQ does not exempt collection site owners from compliance with any other requirements of Part 169, including storage requirements.

SCRAP TIRE STORAGE AREA MAP FORMAT

COLLECTION SITE DESCRIPTION: DIMENSIONS - 208.71 FEET x 208.71 FEET
TOTAL COLLECTION SITE: ACREAGE - 43,560 SQUARE FEET = 1 ACRE

EXAMPLES OF TIRE STORAGE AREA DIMENSIONS AND LOCATION(S) FOR FISCAL YEAR 2007:

AREAS OF THE COLLECTION SITE **NOT** SUBJECT TO THE BOND REQUIREMENTS:

1. TIRES STORED IN COVERED VEHICLE - FIVE STORAGE VEHICLES
2. COMMODITY STORAGE AREA (MUST COMPLETE AND ATTACH FORM NUMBER EQP 5127 "COMMODITY STORAGE AREA CERTIFICATION." TOTAL COMMODITY STORAGE AREA CANNOT BE GREATER THAN 1 ACRE) -
70 FEET x 70 FEET NORTHEAST CORNER OF COLLECTION SITE = 1/8 ACRE = 4,900 SQUARE FEET

AREAS OF THE COLLECTION SITE THAT **ARE REQUIRED** TO MAINTAIN A BOND:

1. OUTDOOR AREA - 104.35 FEET x 104.35 FEET NORTHWEST CORNER OF COLLECTION SITE
1/4 ACRE = 10,889 SQUARE FEET (BOND REQUIRED = \$25,000)
2. INDOOR AREA - 50 FEET x 50 FEET - WEST 1/2 OF 100 FEET BY 50 FEET BUILDING
2,500 SQUARE FEET - ONE FLOOR ONLY (BOND REQUIRED = \$5,000)

THE LOCATION OF STORAGE AREA(S) IS INDICATED ON THE MAP BELOW (**MAP IS NOT DRAWN TO SCALE**):

